

## **ECONOMIC DEVELOPMENT REVOLVING LOAN COMMITTEE**

A meeting of the Economic Development Revolving Loan Committee was called to order on December 2, 2005 at 9:30 a.m. in the City Hall Conference Room by Chairman Kropp. Other members present included Lowery, Thoe, and Prange. Also present were John Hintz, Joel Steinhauer, and Ray Willoughby. A motion was made by Lowery, seconded by Thoe to approve the minutes of the October 14, 2005 meeting. Motion carried.

John Hintz and Joel Steinhauer made a presentation on behalf of Total Quality Components (TQC), Inc. seeking to revise a \$100,000 city loan previously recommended by the Committee for a start up of a business in the TRAC distribution facility at 1409 Indianhead Drive. Mr. Hintz indicated that the necessary contracts were in place with Menard, Inc. to provide panelized wall packages exclusively for the building/home improvement retail chain. Mr. Hintz indicated that private financing was now in place and that start up was expected in March of 2006. Initially 39 full time equivalent jobs will be created with that amount increasing to over 100 upon full production. Questions were raised regarding outstanding tax liens against TRAC, Inc.. Mr. Hintz indicated that upon the sale and lease back of the distribution facility that these issues would be remedied. Mr. Hintz also indicated that the current \$11,000 mortgage against the facility would be paid in full and the \$60,000 outstanding balance on the city loan for the TRAC terminal facility would stay in a second mortgage position behind the SBA loan. The remainder of the public participants were being asked to pro-rate their share equally in the remaining equity of the project. At this time the representatives of TQC left the meeting. A motion was made by Lowery, seconded by Prange to recommend City Council approval of a revised \$100,000 loan to Total Quality Components, Inc. at the same interest rate, amortization, terms and approvals as the funds being requested from Dunn County Economic Development Corporation, Xcel Energy, and the Wisconsin Department of Commerce including shared collateral with those agencies on a pro-rata basis, payments by electronic fund transfers and contingent all of the financing being secured as outlined in the December 1, 2005 credit presentation proposed by West Central Wisconsin Regional Planning Commission. Motion carried.

The Committee reviewed the accounts receivable report through October, 2005 with no action being taken. A motion was made by Thoe, seconded by Lowery to adjourn. Motion carried.

Respectfully submitted,

Lowell R. Prange  
Recording Secretary

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